

FOM Expansion Criteria

When a multiple common bond credit union requests a field of membership expansion for a group in excess of 500 primary potential members, Form 4015 requires the applicant credit union to obtain from the group requesting credit union service a letter, on the group's letter head stationery if possible, explaining:

“Why the formation of a separate credit union for the group is not practical or consistent with safety and soundness standards.”

The group's explanation needs to address the following criteria, which assists NCUA in its analysis on whether or not a group over 500 primary potential members has the ability to form its own credit union:

- ?? Member location - whether the membership is widely dispersed or concentrated in a central location.
- ?? Demographics - the employee turnover rate, economic status of the group's members, and whether the group is more apt to consist of savers and/or borrowers.
- ?? Market competition - the availability of other financial services.
- ?? Desired services and products - the type of services the group desires in comparison to the type of services a new credit union could offer.
- ?? Sponsor subsidies - the availability of operating subsidies.
- ?? Employee interest - the extent of the employees' interest in obtaining a credit union charter.
- ?? Evidence of past failure - whether the group previously had its own credit union or previously filed for a credit union charter.
- ?? Administrative capacity to provide services - will the group have the management expertise to provide the services requested.

Please note, the larger the group the more documentation (explanation) is needed on each of the above factors from the group to support “Why the formation of a separate credit union for the group is not practical or consistent with safety and soundness standards.”

<p style="text-align: center;">APPLICATION FOR FIELD OF MEMBERSHIP AMENDMENT NCUA FORM 4015</p>

USE ONLY FOR EXPANSIONS COVERING GROUPS OF
MORE THAN 500 PERSONS

For expansions covering groups of 500 or less persons -- use the short form application, NCUA 4015-EZ.

Attach a separate application for each group included in your request for expansion. The application must be complete or it will be returned unprocessed.

1. Name and address of credit union:

2. Name and address of the group:

(If the group is an association, include a copy of the association's Charter/Bylaws or other equivalent organizational documentation.)

3. Provide the proposed field of membership wording. Use the example wording found in NCUA's *Chartering and Field of Membership Manual*, Chapter 2:

- ☐ Section II.A for single occupational common bond groups;
- ☐ Section III.A for single associational common bond groups; or
- ☐ Section IV.A for multiple common bond fields of membership.

4. How many primary potential members (excluding immediate family and household members) are in the group: _____

5. (a) For multiple common bond expansions, what is the distance between the group's location and your credit union's nearest service facility¹ to which the group has access (Reference Chapter 2, Section IV.A.1):

(b) What is the address of this service facility:

(c) Describe the service area² primarily served by the above service facility:

6. Is the group in the field of membership of any other credit union? Yes___ No___

If yes, and the overlapped credit union is not a community credit union or a non-federally insured credit union, please address the following:

~~§~~ ~~§~~ Provide the name and location of the other servicing credit union:

~~§~~ ~~§~~ Include a letter from the overlapped credit union indicating whether it concurs or objects to the overlap. If the overlapped credit union objects or fails to respond, document attempts to resolve the issue:

¹ A service facility is defined as a place where shares are accepted for members' accounts, loan applications are accepted, and loans are disbursed.

² A federal credit union's service area is the area that can reasonably be served by the service facility accessible to the groups within the field of membership. It will most often coincide with that geographic area primarily served by the service facility.

~~2~~ Explain how the expansion's beneficial effect in meeting the convenience and needs of the members of the group clearly outweighs any adverse effect on the overlapped credit union:

7. Attach a letter, on letterhead stationery if possible, from the group requesting credit union service. This letter must indicate:

- ~~2~~ how the group shares the occupational or associational common bond (for single common bond additions only);
- ~~2~~ that the group wants to be added to the federal credit union's field of membership;
- ~~2~~ whether the group presently has other credit union service available;
- ~~2~~ the number of persons currently included within the group to be added and the group's location(s);
- ~~2~~ the group's proximity to the credit union's nearest service facility (for multiple common bond additions only); and
- ~~2~~ why the formation of a separate credit union for the group is not practical or consistent with safety and soundness standards (for multiple common bond additions only). *The formation of a separate credit union may not be practical if the group lacks sufficient volunteers or resources to support the operation of a credit union or does not meet the economic advisability criteria outlined in Chapter 1 of NCUA's Chartering and Field of Membership Manual.*

8. Other comments:

Name and title of credit union board-authorized representative (e.g., President/CEO):

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(Typed/Printed Name)	(Signature)	(Date)

**APPLICATION FOR FIELD OF MEMBERSHIP AMENDMENT
NCUA FORM 4015-EZ**

**USE ONLY FOR EXPANSIONS COVERING
GROUPS OF 500 PERSONS OR LESS**

Attach a separate application for each group included in your request for expansion. The application must be complete or it will be returned unprocessed.

1. Name and address of credit union: _____

2. Name and address of group: _____

(If the group is an association, include a copy of the association's Charter/Bylaws or other equivalent organizational documentation.)

3. Provide the proposed field of membership wording: _____

4. How many primary potential members (excluding immediate family and household members) are in the group: _____

5. Attach a letter, on letterhead stationery if possible, from the group requesting credit union service. This letter must indicate:

~~/~~ how the group shares the occupational or associational common bond (**for single common bond additions only**);

~~/~~ that the group wants to be added to the federal credit union's field of membership;

~~/~~ the number of persons to be added and the group's location(s); and

~~/~~ the group's proximity to the credit union's nearest service facility (**for multiple common bond additions only**).

Name and title of credit union board-authorized representative (e.g., President/CEO):

(Typed/Printed Name)

(Signature)

(Date)